

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1279
ANSWERED ON:01.12.2014
SHORTAGE OF IRON ORE
Kachhadia Shri Naranbhai;Sreeramulu Shri B.

Will the Minister of STEEL be pleased to state:

- (a) whether there is a shortage of iron ore in the country;
- (b) if so, whether the National Mineral Development Corporation proposes to increase its production by opening up of new iron ore mines;
- (c) if so, the details thereof;
- (d) whether the Government also proposes to bid for mining of iron ore in Afghanistan and other countries and if so, the details thereof; and
- (e) the other steps taken by the Government to meet the shortage of iron ore in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

(a) No, Madam. There is no overall shortage of iron ore in the country. Production of iron ore in the country is more than the requirement of domestic Steel Industry. Temporary regional shortages of iron ore have taken place in the states like Karnataka & Jharkhand due to legal & regulatory issues.

Details of last three years' iron ore production & domestic consumption are given in the table below:-

(in Million Tonnes)

Year	Iron ore production	Domestic Consumption
2011-12	168.58 (R)	100.57
2012-13 (P)	136.61	103.40
2013-14 (P)	152.43	110.50 (e)

[Source: Indian Bureau of Mines, Ministry of Mines;

(P)- Provisional; (e) – Estimated; (R)- Revised]

(b)&(c): Does not arise in view of the above. However, National Mineral Development Corporation takes decisions like opening of new iron ore mines based on commercial consideration.

(d) Steel is in deregulated sector and decisions regarding bidding for iron ore mines in foreign countries including Afghanistan are taken by individual CPSEs based on their requirements and commercial prudence.

(e) The Government plays the role of a facilitator in the de-regularise Steel sector. In order to ensure sufficient availability of iron ore in the domestic steel sector fiscal measures have been adopted by Government by imposing an Export duty of 30% ad valorem on iron ore with effect from 30.12.2011 and 5% ad valorem on iron ore pellets with effect from 27.01.2014.